Western Economic Diversification Canada

2017–18

Departmental Plan

The Honourable Navdeep Bains, P.C., M.P.
Minister of Innovation, Science and Economic Development

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represented by the Minister of Industry, 2017

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This document is available in alternative formats upon request.

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Minister's message

Our 2017–18 Departmental Plan provides parliamentarians and Canadians with information on what we do and the results we are trying to achieve during the upcoming year. To improve reporting to Canadians, we are introducing a new, simplified report to replace the Report on Plans and Priorities.

The title of the report has been changed to reflect its purpose: to communicate our annual performance goals and the financial and human resources forecast to deliver those results. The report has also been restructured to tell a clearer, more straightforward and balanced story of the actual results we are trying to achieve, while continuing to provide transparency on how tax payers' dollars will be spent. We describe our programs and services for Canadians, our priorities for 2017–18, and how our work will fulfill our departmental mandate commitments and the government's priorities.

Through the programs of the Innovation, Science and Economic Development Portfolio, we are working together to deliver Canada's Innovation Agenda—a whole-of-government initiative to position Canada as a global centre for innovation, create better jobs and opportunities for the middle class, drive growth across all industries and improve the living standards of all Canadians. The work of the Portfolio also includes commercializing more research and ideas; providing more Canadians with the skills to participate in a global and digital economy; helping small businesses grow through innovation, access to capital and trade; promoting increased tourism to Canada; and supporting scientific research and the integration of scientific considerations in our investment and policy choices.

It is my pleasure to present the Departmental Plan for Western Economic Diversification Canada for 2017–18.

The Honourable Navdeep Bains
Minister of Innovation, Science
and Economic Development

Plans at a glance

In 2017–18, Western Economic Diversification Canada[i] (WD) will celebrate its 30th anniversary as it assists Manitoba, Saskatchewan, Alberta and British Columbia to grow, create jobs and strengthen the middle class. WD's work will be driven by the ministerial mandate commitments and the three pillars of the Government of Canada's Inclusive Innovation Agenda, a whole of government initiative: people, technology and companies. In addition, WD will contribute to the development and implementation of the new Canadian international trade strategy.

WD has identified two strategic priorities for 2017–18.

Innovation:
The West already plays an important role within the Canadian innovation and technology sector. However, to compete globally, it must accelerate the development and adoption of new technologies.

In 2017–18, under the Western Diversification Program, WD's technology focus will be to invest in competitive innovative clusters by supporting the development of clean technology products and processes. In addition, WD will launch an intake of the Western Innovation Initiative to assist western Canadian companies to commercialize new and innovative technologies.

WD will participate in the new Accelerated Growth Service,[ii] a Budget 2016 commitment, by assisting firms with high-growth potential to grow and scale up. This program will provide firms with access to federal government services to help them expand and become more globally competitive.

Indigenous Economic Growth:
A skilled and entrepreneurial workforce is critical to drive economic growth in Western Canada. Through funding investments, WD will support Indigenous people to participate in the economy and be job creators themselves as successful entrepreneurs. Under the Western Diversification Program, WD will help Indigenous entrepreneurs to establish and grow their businesses and develop new skills.

For more information on Western Economic Diversification Canada's plans, priorities and planned results, see the "Planned Results" section of this report.

Raison d'être, mandate and role: who we are and what we do

Raison d'être

Western Economic Diversification Canada was established in 1987 to promote the development and diversification of the economy of Western Canada and to advance the interests of the West in national economic policy, program and project development and implementation. The Minister of Innovation, Science and Economic Development is responsible for this organization.

Mandate and role

Western Economic Diversification Canada (WD) implements diverse initiatives across the West and makes strategic investments that build on regional competitive advantages.

WD has offices in each western Canadian province, as well as an office in Ottawa. Its western base enables the Department to foster strong partnerships with business and community organizations, research and academic institutions, Indigenous peoples, as well as provincial and municipal governments. These connections assist WD to reflect western perspectives in national decision-making.

Building from the Budget 2016 priority of clean economic growth, WD will support several ministerial mandate letter commitments including:

- promoting economic diversification and building on competitive regional advantages;
- investing in western Canada's clean technology sectors;
- supporting the emerging national network for business innovation and cluster support including incubators and accelerators;
- supporting Canadian businesses to increase their exports and expand their trading partners;
- promoting economic development and creating jobs for Indigenous peoples; and
- supporting openness and transparency in government by sharing information on WD's investments and initiatives with Canadians.

For more information about the Department, see the "Supplementary information" of this report. For more information on the mandate letter commitments, see the Minister's mandate letter on the Prime Minister of Canada's website.[iii]

Operating context: conditions affecting our work

The western Canadian economy accounts for almost 40 percent of Canada's economy and close to one third of all Canadians live in Western Canada. Due to the size of the western Canadian economy, it has a significant impact on the national economy.

The four provinces in Western Canada have had different economic performances over the last couple of years. Primarily due to lower commodity prices (crude oil in particular), Alberta, and to a lesser extent Saskatchewan, experienced economic hardships while there was moderate growth in British Columbia and Manitoba. Private sector economists expect Alberta and Saskatchewan to regain some momentum in 2017–18, but their recoveries are forecast to be modest by historical standards. The forecast for British Columbia's economy predicts low to moderate growth in 2017–18, weighed down by the province's cooling real estate sector. Manitoba, due to its relatively diverse economy, is expected to continue its solid economic performance, albeit at slightly slower pace than in recent years.

With forecasts of slow commodity price recovery moving forward, continued economic success will require innovative building on regional strengths. Progress is being made by Western Canada's clean technology sector, along with other innovation clusters such as information and communication technology, natural resources, nanotechnology, aerospace, and value-added agriculture. Fostering innovation clusters represents an important opportunity to diversify and strengthen the western Canadian economy.

There is a higher proportion of high-growth small and medium-sized enterprises (SME) (10.1 percent) in Western Canada than in the rest of Canada (8.8 percent), led by Alberta and Saskatchewan.[iv] The number of high-growth SMEs in Western Canada grew by 15.4 percent between 2011 and 2014. Continuing to develop firms with high-growth potential is crucial for ensuring continued success of the western Canadian economy. Key challenges for high-growth and innovative firms include: access to talent, management skills, access to capital, access to markets, and being able to take advantage of innovation ecosystems.

Nearly 60 percent of Indigenous Canadians live in Western Canada.[v] The Indigenous population is amongst the youngest and fastest growing demographic, representing the largest untapped labour force in Canada. Currently, Indigenous peoples' labour market participation and educational attainment trail those of the non-Indigenous population. Over the next 10 years, approximately 400,000 Indigenous Canadians will reach an age to enter the labour market. In addition, Indigenous small business is growing six times faster than in the non-Indigenous market and Indigenous entrepreneurs tend to be about 10 years younger.[vi] This creates an enormous potential for Indigenous business growth in Western Canada.

Women represent the majority of university graduates. However, less than a third of science, technology, engineering, and mathematics graduates are women, although this number is increasing.[vii] Enhancing the participation of women in these fields would

promote diversity in the workforce and help alleviate pressure related to the growing demand for skilled labour that is necessary to succeed in an increasingly innovative economy.

In addition, the integration of skilled immigrant workers also represents an important opportunity to increase labour force capacity and improve economic outcomes. Western Canada attracted 110,000 immigrants in 2015, accounting for over 40 percent of Canada's immigration.[viii] There are also barriers for firms to bring in skilled workers and managers from abroad that limit growth potential and place Western Canadian firms at a disadvantage relative to their international competitors.

Key risks: things that could affect our ability to achieve our plans and results

Key risks and opportunities

Risks	Risk response strategy	Link to the Department's Programs	Link to mandate letter commitments or to government-wide and departmental priorities
Lack of capacity and core skills for Indigenous entrepreneurs to develop businesses	• Provide business advisory and training services to Indigenous peoples through the Aboriginal Business Service Network, Community Futures organizations, and Canada Business Network. • Make investments in targeted and market driven skills development under the Western Diversification Program. Measures: • Value and # of projects funded in support of Indigenous Economic Growth • # of Indigenous clients served	1.1 Business Development and Innovation 1.2 Community Economic Growth	• Inclusive economic growth • Job growth
Changes in demand for new technologies, including clean technology, in Canada and internationally	• Undertake research on demand for new technologies, in particular, clean technology. • Ensure demand side information is shared with innovation community. • Assess innovation project applications for marketplace demand for new technology or product. Measures: • # of research products • # of for-profit and # of not-for-profit organizations with which information is shared • % of innovation project applications that include assessment of market demand for new technology or product.	1.1 Business Development and Innovation 1.3 Policy, Advocacy and Coordination	• Innovation Agenda • Accelerated Growth Service • Clean technology

WD's experience with Indigenous programming suggests that specific skills shortages exist in areas such as financial literacy. This capacity gap may present challenges to WD's efforts to improve Indigenous workforce participation and to increase successful Indigenous entrepreneurship. Complicating this, many Indigenous people live in remote communities, with more limited access to existing training opportunities and services. To mitigate these risks, WD will assess proposals for funding for Indigenous development projects with a view to how well they address these barriers.

Historically, WD has supported innovation with a focus on the quality of ideas and products. The risk with this approach is that failure to fully assess demand may lead to market failure if innovators are producing good solutions for problems people are not willing to pay to solve. For this reason, WD will conduct and share research on marketplace demand for new technologies in Canada and globally. This will help western Canadian businesses to take advantage of new market-driven opportunities. WD will evaluate the demand for new technologies or products as part of the assessment of innovation funding applications.

Planned results: what we want to achieve this year and beyond

Programs

Western Economic Diversification Canada (WD) works to grow the western Canadian economy by helping to build businesses that are productive, innovative and export-oriented. WD's reporting framework consists of three programs:

1) Business Development and Innovation;
2) Community Economic Growth; and
3) Policy, Advocacy and Coordination.

Program 1.1: Business Development and Innovation

Description
Business Development and Innovation supports western Canadian businesses, industry, and research organizations to enhance business innovation, productivity, and global engagement. Value-added production is strengthened through the introduction of new products, technologies, or innovations to existing processes, as well as through efforts to pursue global markets and increase investment in Western Canada. Additionally, this program supports some members of the Western Canada Business Service Network (WCBSN) and related partners to provide business services and access to capital in Western Canada in support of increased entrepreneurism. Transfer payments in support of this program are made under the authority of the Women's Enterprise Initiative (WEI) and the Western Diversification Program (WDP). Funding support of the Canada Business Network is comprised of operations and maintenance funding.

Planning highlights
WD is committed to making Western Canada a more competitive place to innovate, grow a business, and create better jobs. In 2017–18, WD will pursue these objectives by focusing on two strategic priorities:

- Innovation; and
- Indigenous Economic Growth.

Key Actions

- Under the Western Diversification Program, provide funding to not-for-profit organizations for projects that grow the clean economy and/or support Indigenous entrepreneurs to establish or expand their businesses or gain new skills.
- Launch an intake of the Western Innovation Initiative to assist businesses to commercialize their new and innovative technologies.
- Assist the growth of western Canadian clean technology and Indigenous organizations in international markets.
- Assist women entrepreneurs to establish or grow their businesses through funding for the Women's Enterprise Initiative.

- Support the defence, security, marine and aerospace companies to take advantage of government procurement opportunities.
- Provide access to coordinated support for businesses to expand globally by establishing federal-provincial Regional Trade Networks in the four western provinces in partnership with Global Affairs Canada.
- Collaborate with Global Affairs Canada to develop and implement the Trade and Investment Strategy to help companies grow and diversify their exports.
- Collaborate with other federal government departments and agencies to deliver the Accelerated Growth Service. This initiative assists firms with high growth potential to access federal government services to help them scale-up and expand globally.
- Support the Western Canada Business Service Network[IX] to provide entrepreneurs with services to start or grow their businesses.

WD's planned activities for 2017–18 respond to the recent Evaluation of Business Productivity and Growth[X] that recommended that WD support western Canadian enterprises to adopt advanced technology and increase its focus on high growth firms. WD's programming will also be adjusted based on the Evaluation of Technology Commercialization and Innovation Capacity Building when results are available.

Western Canada Business Service Network

Includes:

- Canada Business Network
- Community Futures
- Women's Enterprise Initiative
- Francophone Economic Development Organizations
- Entrepreneurs with Disabilities Program
- Aboriginal Business Service Network

WD's actions under the Business Development and Innovation Program will grow innovative businesses, in particular, in the clean technology sector, help enterprises become more innovative and competitive, and create good quality jobs. Over the longer term, these actions will drive sustainable and inclusive economic growth in Western Canada.

Planned results

Expected results	Performance indicators	Target	Date to achieve target	2013–14 Actual results	2014–15 Actual results	2015–16 Actual results
Western Canadian small and medium-enterprises (SMEs) are engaged in international business	Value of international business activity facilitated by WD	$346M	March 31, 2018	$0*	$72.8M	$550M
Western Canadian SMEs are competitive	Number of SMEs that increase gross margins	11	March 31, 2018	0*	25	10
Western Canadian SMEs are innovative	Number of instances of protection of intellectual property exercised	32	March 31, 2018	10	24	9

Note: Not all WD projects report on these indicators and overall results are therefore understated. WD plans to revise its reporting framework to allow better reporting in the future.

* These performance indicators were introduced by WD for the first time in 2013–14. Historically, these types of indicators required more than one year to realize results.

Budgetary financial resources (dollars)

2017–18 Main Estimates	2017–18 Planned spending	2018–19 Planned spending	2019–20 Planned spending
98,714,063	98,714,063	89,463,252	95,346,298

Human resources (full-time equivalents)

2017–18 Planned full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents
103	113	116

Note: The increase in human resources in 2018–19 reflects a reallocation of staff from the Canada 150 Community Infrastructure Program, which will be completed in 2017–18, to other departmental priorities such as the Accelerated Growth Service.

Program 1.2: Community Economic Growth

Description

Community Economic Growth involves economic development initiatives that:

- support communities to advance their economies;
- adjust to changing and challenging economic circumstances; and
- recover from depressed economic circumstances.

This is achieved through both direct funding of projects and funding support of the Community Futures organizations. Additionally, this program assists communities to assess community opportunities for new economic activity. Transfer payments in support of this program are made under the authority of the Western Diversification Program (WDP) and the Community Futures (CF) Program.

Planning highlights

WD supports initiatives that promote inclusive community economic development in rural and urban areas. These initiatives help communities take advantage of local opportunities, diversify their economies, and adjust to challenging economic circumstances. A significant share of WD's community economic development program stems from its role as the western delivery agent for national programs such as the Canada 150 Community Infrastructure Program.

WD's activities in 2017–18 will focus on strengthening business skills of rural and urban entrepreneurs, growing local businesses and creating good quality jobs.

Key Actions

- Support Community Futures (CF) organizations across the West to grow rural economies by delivering business advisory services and providing access to capital. An analysis of CF lending activity demonstrated that between 2008 and 2013, CF-assisted firms outperformed a comparable group of non-assisted firms:
  - 7.7 percent versus 2.2 percent for employment growth;
  - 9.9 percent versus 3.7 percent for sales growth; and
  - 66 percent versus 45 percent for survival rates.

  In 2017–18, WD will build on this success and encourage CFs to adopt common approaches and efficiencies on a pan-western basis.
- Assist Indigenous peoples to establish and grow companies and develop business skills by supporting the Aboriginal Business Service Network.
- Deliver the Economic Development Initiative[xi] (EDI) for official language minority communities on behalf of the Government of Canada. The EDI strengthens innovation, entrepreneurship, partnerships, and diversification in official language minority communities across the West.
- Support the Francophone Economic Development Organizations[xii] to provide advisory and training services to Francophone entrepreneurs and communities across Western Canada.

- Deliver on the Canada 150 Community Infrastructure Program[xiii] in Western Canada. These infrastructure investments will help sustain communities by supporting a clean growth economy, creating jobs and improving quality of life.
- Support innovation networks, economic opportunities and technology development in communities across Western Canada.

Canada 150 Community Infrastructure Program

- WD has invested in over 750 community-driven projects across Western Canada.
- Projects are expected to be completed by March 31, 2018.

- Oversee the Churchill and Region Economic Development Fund, established in 2016–17, in response to the economic instability facing this region. The Fund will build on local assets by supporting projects that create new business and employment opportunities to diversify and sustain the regional economy.

Planned Results

Expected results	Performance indicators	Target	Date to achieve target	2013–14 Actual results	2014–15 Actual results	2015–16 Actual results
Western Canadian communities have strong businesses	SME sales growth	10.0%	March 31, 2018	13.97%	10.2%	9.9%
Western Canadian communities have capacity for socio-economic development	Number of communities benefitting from Community Economic Growth projects	1,375	March 31, 2018	1,111	1,338	1,468
Western Canadian communities have the necessary public infrastructure to support economic growth	Number of communities benefitting from federal public infrastructure investments	416	March 31, 2018	475	n/a*	n/a*

Note: Not all WD projects report on these indicators and overall results are, therefore, understated. WD plans to revise its reporting framework to allow better reporting in the future.

* The results of WD's work to support community infrastructure through programs delivered on behalf of Infrastructure Canada are reported through Infrastructure Canada. The target for 2017–18 represents projects to be completed under the Canada 150 Community Infrastructure Program.

Budgetary financial resources (dollars)

2017–18 Main Estimates	2017–18 Planned spending	2018–19 Planned spending	2019–20 Planned spending
80,086,272	80,086,272	33,169,912	32,245,443

Note: The decrease in planned spending from 2017–18 to 2018–19 is due to the completion of funding for the Canada 150 Community Infrastructure Program. Staff will be reassigned to other departmental priorities such as the Accelerated Growth Service.

Human resources (full-time equivalents)

2017–18 Planned full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents
36	25	22

Note: The decrease in human resources from 2017-18 to 2018-19 is due to the completion of the Canada 150 Community Infrastructure Program.

Program 1.3: Policy, Advocacy and Coordination

Description

Policy, Advocacy, and Coordination arises from the Western Economic Diversification Act and empowers the Minister to advance the interests of Western Canada through policies and programs and by establishing cooperative relationships with key stakeholders. Policy, Advocacy and Coordination efforts enable WD to:

- provide a strong voice for Western Canada, which results in effective strategies, policies, and programs that address economic development needs;
- lead federal and intergovernmental collaboration to pursue key opportunities for long-term growth and diversification in areas of federal or shared federal-provincial jurisdiction; and
- enable economic analysis activities to be carried out, which ultimately assist with informing policy and program decisions.

Transfer payments in support of this program are made under the authority of the Western Diversification Program.

Planning highlights

The Policy, Advocacy and Coordination program includes a complementary set of activities to identify and respond to challenges and opportunities relevant to Western Canada.

WD gathers intelligence, undertakes analysis and develops advice to support the Department's decision-making and advocacy activities. In 2017–18, WD will undertake economic research and analysis to enhance understanding of western Canadian economic challenges and opportunities. This includes engaging with external research organizations and conducting internal research and analysis (e.g., economic overviews, environmental

scans, research on demand for new technologies) that support departmental policy, planning, and program development.

WD will advocate and provide a western Canadian perspective to decision-makers in the development and implementation of national policies, programs and strategies. This includes building relationships with key stakeholders and other federal organizations by sharing information and collaborating on economic development initiatives of interest to Western Canada.

In 2017–18, WD will convene and meet with stakeholders across Western Canada to identify opportunities for collaboration in support of inclusive economic development activities, including innovation and Indigenous economic growth. WD will work with Innovation, Science and Economic Development Canada, other regional development agencies, and stakeholders to support high-growth firms, clean technologies, business innovation, and regional clusters. WD will also work with Indigenous and Northern Affairs Canada and other federal departments to grow Indigenous participation in economic development, natural resource development and skills development.

In 2017–18, WD will connect global defence companies with industrial and technological benefits obligations to world-class western Canadian capabilities and technologies. This includes promoting western Canadian capabilities in response to supplier requests, and organizing business-to-business meetings, industry days, and supplier tours with global defence companies.

Planned Results

Expected results	Performance indicators	Target	Date to achieve target	2013–14 Actual results*	2014–15 Actual results*	2015–16 Actual results*
Policies that strengthen the western Canadian economy	Percentage of key informants with the opinion that WD activities resulted in policies that support the economic development of Western Canada	N/A	March 31, 2018	82.7%	82.7%	82.7%
Programs that strengthen the western Canadian economy	Percentage of key informants with the opinion that WD activities resulted in programs that support the economic development of Western Canada	N/A	March 31, 2018	87.0%	87.0%	87.0%

* Results are based on a 2014 WD survey. This survey will not be conducted this year as WD plans to revise its reporting framework to allow better reporting in the future.

Budgetary financial resources (dollars)

2017–18 Main Estimates	2017–18 Planned spending	2018–19 Planned spending	2019–20 Planned spending
8,665,668	8,665,668	8,811,323	8,864,118

Human resources (full-time equivalents)

2017–18 Planned full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents
59	60	60

Information on WD's lower-level programs is available on WD's website[xiv] and the TBS InfoBase.[xv]

Internal Services

Description
Internal Services are groups of activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups include:

- Management and Oversight Services;
- Human Resources Management Services;
- Financial Management Services;
- Information Management Services;
- Information Technology Services;
- Materiel Services; and
- Acquisition Services.

Planning highlights
WD follows sound financial and human resource management in administering departmental resources. WD was designated one of Alberta's Top 70 Employers for being an exceptional place to work, offering progressive and forward-thinking programs. WD will continue to enhance its management practices to improve the efficient and effective delivery of its programs and services to Canadians.

WD will contribute to the Government of Canada's Blueprint 2020 initiative to build a world-class public service that can respond to emerging challenges. WD will support talent management through recruitment and retention strategies, including training and employee development. The further development of a high performing workforce will ensure that the Department can provide high quality program delivery, policy analysis and client service.

Consistent with the Government of Canada's Federal Public Service Workplace Mental Health Strategy, WD will adopt the voluntary Psychological Health and Safety Standard. WD has healthy workplaces nurtured by its Values and Ethics Code of Conduct and mental health and wellness initiatives. Evidence of WD's success in this area includes:

- the lowest rate of reported harassment in the public service;
- lower-than-average sick leave usage; and
- positive Public Service Employee Survey (2014) results.

WD plans to repeat a 2013 baseline workplace health survey to measure the progress and effectiveness of its mental health and wellness initiatives.

Given WD's broad mandate and focus on more efficient and effective internal processes, WD will continue to refine its role and program delivery model to ensure it achieves expected results. In order to provide high quality services to clients, WD will manage risks by adjusting its business processes and management practices, introducing new technologies, and training its employees. In 2017–18, WD will explore a list of new approaches to improve the delivery of services to clients and to ensure the efficient

management of its internal resources and processes. WD will create a departmental innovation fund, estimated to cost up to $75,000, to fund new ideas presented by employees. Specific initiatives and associated budgets will be identified during the year.

To leverage resources, in 2017–18, WD will collaborate with other regional development agencies and departments on a common grants and contributions business system. This innovative initiative will provide improved services to the public through streamlined tools including online access to government services and common approaches to business needs. The project is under development and is expected to be completed in March 2019.

The Department also participates in the Government of Canada's office modernization initiative. WD will create more sustainable workplaces with the modernization of the Winnipeg and Calgary offices in 2018. When the office modernization project is complete, the workplace will be greener, healthier and more affordable.

The Department produces high quality planning, reporting, financial, and communications products for Canadians, Parliamentarians, and for internal use. In 2017–18, WD will shift to the Canada.ca platform as part of the government-wide web renewal initiative to improve online service delivery to Canadians.

Budgetary financial resources (dollars)

2017–18 Main Estimates	2017–18 Planned spending	2018–19 Planned spending	2019–20 Planned spending
12,153,056	12,153,056	11,424,572	11,413,200

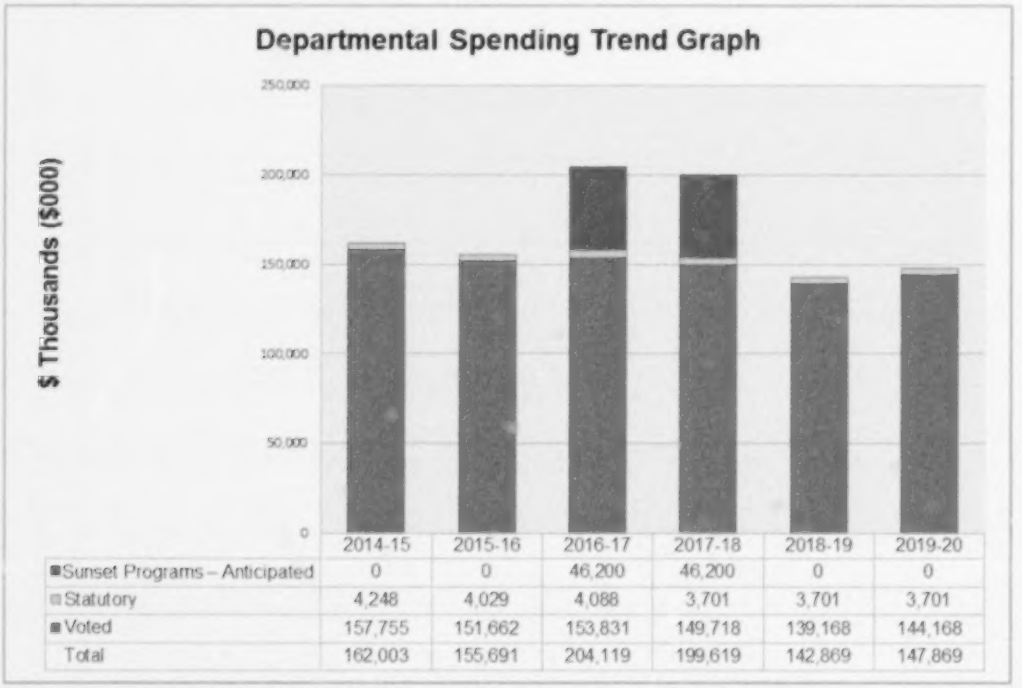
Human resources (full-time equivalents)

2017–18 Planned full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents
85	85	85

Spending and human resources

Planned spending

Departmental Spending Trend Graph



	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Sunset Programs – Anticipated	0	0	46,200	46,200	0	0
Statutory	4,248	4,029	4,088	3,701	3,701	3,701
Voted	157,755	151,662	153,831	149,718	139,168	144,168
Total	162,003	155,691	204,119	199,619	142,869	147,869

The increase in sunset programs in years 2016–17 and 2017–18 relate to the Canada 150 Community Infrastructure Program. The decreases in net spending are related to both transfer payments and operating costs. Voted spending in 2019–20 reflects a cash flow increase as Western Economic Diversification Canada (WD) will have completed transferring annual funds to the Thirty Meter Telescope, a commitment announced in Budget 2015.

Budgetary planning summary for Programs and Internal Services (dollars)

Programs and Internal Services	2014–15 Expenditures	2015–16 Expenditures	2016–17 Forecast spending	2017–18 Main Estimates	2017–18 Planned spending	2018–19 Planned spending	2019–20 Planned spending
Program 1: Business Development and Innovation	107,678,368	97,298,416	99,773,207	98,714,063	98,714,063	89,463,252	95,346,298
Program 2: Community Economic Growth	31,958,193	35,240,300	83,791,508	80,086,272	80,086,272	33,169,912	32,245,443
Program 3: Policy, Advocacy and Coordination	8,736,194	8,922,602	7,582,676	8,665,668	8,665,668	8,811,323	8,864,118
Subtotal	**148,372,755**	**141,461,318**	**191,147,391**	**187,466,003**	**187,466,003**	**131,444,487**	**136,455,859**
Internal Services	13,629,781	14,230,056	12,971,691	12,153,056	12,153,056	11,424,572	11,413,200
Total	**162,002,536**	**155,691,374**	**204,119,082**	**199,619,059**	**199,619,059**	**142,869,059**	**147,869,059**

WD's planned spending in 2017–18 is $199.6 million compared to the 2016–17 forecast spending of $204.1 million. This represents a net decrease in spending of $4.5 million for 2017–18. This includes a net decrease in contributions and other transfer payments of $2.0 million and a decrease in operating costs of $2.5 million. The decrease in planned spending from 2017–18 to 2018–19 is due to the completion of funding for the Canada 150 Community Infrastructure Program, Rick Hansen Foundation and the Saskatchewan Cattlemen's Association projects.

Factors contributing to the net decrease in spending in 2017–18 include:

- Net decrease of $2.0 million in contributions and other transfer payments:
  - an increase of $4.5 million for a one-time transfer from Agriculture and Agri-Food Canada for the development of a Livestock and Forage Centre of Excellence;
  - a decrease of $4.6 million for one-time funding to establish the Churchill and Region Economic Development Fund;
  - a decrease of $1.2 million in funding due to the timing of the collection of receipts from repayable contributions for the Western Diversification Program; and
  - a net decrease of $0.7 million in year over year funding for the Rick Hansen Foundation, a one-time transfer from the Public Health Agency of Canada for the Pan-Provincial Vaccine Enterprise for completion of a clinical trial, and other minor project cash flow adjustments.
- Net decrease of $2.5 million in operating funding due to timing of receipt of an operating budget carry forward, a decrease due to the sunsetting of the delivery of programs on behalf of Infrastructure Canada, and other minor operating adjustments.

Planned human resources

Human resources planning summary for Programs and Internal Services (full-time equivalents)

Programs and Internal Services	2014–15 Full-time equivalents	2015–16 Full-time equivalents	2016–17 Forecast full-time equivalents	2017–18 Planned full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents
Program 1: Business Development and Innovation	107	99	96	103	113	116
Program 2: Community Economic Growth	35	38	45	36	25	22
Program 3: Policy, Advocacy and Coordination	58	56	58	59	60	60
Subtotal	200	193	199	198	198	198
Internal Services	95	94	96	85	85	85
Total	295	287	295	283	283	283

Human resource levels in WD continue to be stable and the minor fluctuations that occur reflect resource realignments in support of priorities and projects. The Department will continue to achieve its results by allocating its human resources to best support its programs.

Estimates by vote

For information on the WD's organizational appropriations, consult the 2017–18 Main Estimates.[xvi]

Future-Oriented Condensed Statement of Operations

The Future-Oriented Condensed Statement of Operations provides a general overview of WD's operations. The forecast of financial information on expenses and revenues is prepared on an accrual accounting basis to strengthen accountability and to improve transparency and financial management.

As the Future-Oriented Condensed Statement of Operations is prepared on an accrual accounting basis, and the forecast and planned spending amounts presented in other sections of the Departmental Plan are prepared on an expenditure basis, amounts may differ.

A more detailed Future-Oriented Statement of Operations and associated notes, including a reconciliation of the net cost of operations to the requested authorities, are available on WD's website.[xvii]

Future-Oriented Condensed Statement of Operations for the year ended March 31, 2018 (dollars)

Financial information	2016–17 Forecast results	2017–18 Planned results	Difference (2017–18 Planned results minus 2016–17 Forecast results)
Total expenses	174,844,471	180,878,749	6,034,278
Total revenues	2,073	2,269	196
Net cost of operations before government funding and transfers	174,842,398	180,876,480	6,034,082

WD's total expenses are expected to be $180.8 million in 2017–18, compared to $174.8 million in 2016–17. The $6.0 million difference in total expenses is largely due to an increase in funding for not-for-profit non-repayable projects.

Supplementary information

Corporate information

Organizational profile

Minister of Innovation, Science and Economic Development:
The Honourable Navdeep Bains, P.C., M.P.

Institutional head: Dylan Jones

Ministerial portfolio: Innovation, Science and Economic Development

Enabling instrument(s):
Western Economic Diversification Act,[xviii] R.S.C. 1985, c.11, (4th Supplement)

Year of incorporation / commencement: 1987

Other:

Headquarters - Edmonton, Alberta

Offices - Vancouver, British Columbia
Edmonton and Calgary, Alberta
Saskatoon, Saskatchewan
Winnipeg, Manitoba
Ottawa, Ontario

Reporting framework

The Western Economic Diversification Canada's (WD) Strategic Outcome and Program Alignment Architecture of record for 2017–18 are shown below:

1. **Strategic Outcome:** A growing and diversified western Canadian economy
    - 1.1 **Program:** Business Development and Innovation
        - 1.1.1 **Sub-Program:** Trade, Investment and Market Access
        - 1.1.2 **Sub-Program:** Business Productivity and Growth
        - 1.1.3 **Sub-Program:** Innovation Capacity Building
        - 1.1.4 **Sub-Program:** Technology Commercialization
    - 1.2 **Program:** Community Economic Growth
        - 1.2.1 **Sub-Program:** Infrastructure Programming
        - 1.2.2 **Sub-Program:** Community Development
        - 1.2.3 **Sub-Program:** Community Futures Program
        - 1.2.4 **Sub-Program:** Targeted Economic Initiatives
    - 1.3 **Program:** Policy, Advocacy and Coordination
        - 1.3.1 **Sub-Program:** Advocacy and Coordination
        - 1.3.2 **Sub-Program:** Economic Analysis
    - **Internal Services**

Supporting information on lower-level programs

Supporting information on lower-level programs is available on WD's website[xix] and in the TBS InfoBase.[xx]

Supplementary information tables

The following supplementary information tables are available on WD's website.[xxi]

- Details on transfer payment programs of $5 million or more
- Disclosure of transfer payment programs under $5 million
- Upcoming evaluations over the next five fiscal years
- Upcoming internal audits for the coming fiscal year
- Up-front multi-year funding

Federal tax expenditures

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures each year in the Report on Federal Tax Expenditures.[xxii] This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs. The tax measures presented in this report are the responsibility of the Minister of Finance.

Organizational contact information

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Appendix A: definitions

appropriation (crédit)
Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures (dépenses budgétaires)
Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Core Responsibility (responsabilité essentielle)
An enduring function or role performed by a department. The intentions of the department with respect to a Core Responsibility are reflected in one or more related Departmental Results that the department seeks to contribute to or influence.

Departmental Plan (Plan ministériel)
Provides information on the plans and expected performance of appropriated departments over a three-year period. Departmental Plans are tabled in Parliament each spring.

Departmental Result (résultat ministériel)
A Departmental Result represents the change or changes that the department seeks to influence. A Departmental Result is often outside departments' immediate control, but it should be influenced by program-level outcomes.

Departmental Result Indicator (indicateur de résultat ministériel)
A factor or variable that provides a valid and reliable means to measure or describe progress on a Departmental Result.

Departmental Results Framework (cadre ministériel des résultats)
Consists of the department's Core Responsibilities, Departmental Results and Departmental Result Indicators.

Departmental Results Report (Rapport sur les résultats ministériels)
Provides information on the actual accomplishments against the plans, priorities and expected results set out in the corresponding Departmental Plan.

full-time equivalent (équivalent temps plein)
A measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

government-wide priorities (priorités pangouvernementales)
For the purpose of the 2017–18 Departmental Plan, government-wide priorities refers to those high-level themes outlining the government's agenda in the 2015 Speech from the Throne, namely: Growth for the Middle Class; Open and Transparent Government; A Clean Environment and a Strong Economy; Diversity is Canada's Strength; and Security and Opportunity.

horizontal initiatives (initiative horizontale)
A horizontal initiative is one in which two or more federal organizations, through an approved funding agreement, work toward achieving clearly defined shared outcomes, and which has been designated (e.g. by Cabinet, a central agency, etc.) as a horizontal initiative for managing and reporting purposes.

Management, Resources and Results Structure (Structure de la gestion, des ressources et des résultats)
A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures (dépenses non budgétaires)
Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance (rendement)
What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

Performance indicator (indicateur de rendement)
A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

Performance reporting (production de rapports sur le rendement)
The process of communicating evidence-based performance information. Performance reporting supports decision-making, accountability and transparency.

planned spending (dépenses prévues)
For Departmental Plans and Departmental Results Reports, planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their Departmental Plans and Departmental Results Reports.

plans (plan)
The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

Priorities (priorité)
Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program (programme)
A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture (architecture d'alignement des programmes)
A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

results (résultat)
An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures (dépenses législatives)
Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome (résultat stratégique)
A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program (programme temporisé)
A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target (cible)
A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

voted expenditures (dépenses votées)
Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made.

Endnotes

i. Western Economic Diversification Canada, http://www.wd-deo.gc.ca

ii. Accelerated Growth Service, http://news.gc.ca/web/article-en.do?nid=1084719

iii. The Minister's Mandate letter, http://pm.gc.ca/eng/mandate-letters

iv. Statistics Canada, Survey on Financing and Growth of Small and Medium Enterprises, 2014. This survey includes the territories with British Columbia. http://www23.statcan.gc.ca/imdb/p2SV.pl?Function=getSurvey&SDDS=2941

v. Statistics Canada, 2011 National Household Survey, http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/index-eng.cfm

vi. Financial Post http://business.financialpost.com/news/fp-street/an-emerging-market-at-home-how-canadian-banks-are-making-a-big-push-into-aboriginal-banking

vii. Statistics Canada, Education in Canada: Attainment, Field of Study and Location of Study, 2013, http://www12.statcan.gc.ca/nhs-enm/2011/as-sa/99-012-x/99-012-x2011001-eng.cfm

viii. Statistics Canada, CANSIM table 051-0037, http://www5.statcan.gc.ca/cansim/pick-choisir?lang=eng&p2=33&id=0510037

ix. Western Canada Business Service Network, http://www.wd-deo.gc.ca/eng/99.asp

x. Evaluation of Business Productivity and Growth, http://www.wd-deo.gc.ca/eng/60.asp

xi. Economic Development Initiative, http://www.wd-deo.gc.ca/eng/11564.asp

xii. Francophone Economic Development Organizations, http://www.wd.gc.ca/eng/257.asp

xiii. Canada 150 Community Infrastructure Program, http://www.wd-deo.gc.ca/eng/18872.asp

xiv. Western Economic Diversification Canada: Supporting Information on Lower-level Programs, http://www.wd-deo.gc.ca/eng/19278.asp

xv. TBS Infobase, https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start

xvi. 2017–18 Main Estimates, http://www.tbs-sct.gc.ca/hgw-cgf/finances/pgs-pdg/gepme-pdgbpd/index-eng.asp

xvii. Western Economic Diversification Canada, http://www.wd-deo.gc.ca/eng/59.asp

xviii. Western Economic Diversification Act, http://laws-lois.justice.gc.ca/eng/acts/W-6.8/

xix. Western Economic Diversification Canada: Supporting Information on Lower-level Programs, http://www.wd-deo.gc.ca/eng/19278.asp

xx. TBS InfoBase, https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start

xxi. Western Economic Diversification Canada: Supplementary Information Tables, http://www.wd-deo.gc.ca/eng/19277.asp

xxii. Report on Federal Tax Expenditures, http://www.fin.gc.ca/purl/taxexp-eng.asp